

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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## IMPORTANT NOTICE TO ALL CANNERS

### Federal Old-Age Benefits Taxes Begin January 1, 1937—Deductions Must Be Made From All Wages Paid After January 1

The Federal Old-Age Benefits taxes levied under Title VIII of the Social Security Act become effective on January 1, 1937. After that date every canner who employs one or more persons will be required to pay a tax to the Federal Government of 1 per cent of the first \$3,000 of wages per year paid to each employee subject to the Act. In addition, he must collect from each such employee, by deducting it from his wages as and when they are paid, another tax of 1 per cent of the first \$3,000 of wages which that employee receives.

These taxes are payable monthly, the returns and payments being due on the last day of the month following the month covered by the return. Consequently, the taxes for the month of January, 1937, are due on or before February 28. Although the due date of this first payment is still two months distant, there are, however, several steps which every canner must take immediately in order to comply with the Act.

I. *The deductions from payroll begin immediately.* From every wage payment made after January 1 for services performed after that date the canner should deduct the 1 per cent employees' tax. The canner is responsible to the Federal Government for the collection of this tax, and if he does not collect it by deducting it from his employees' wages, he will be forced to pay it himself. It is imperative, therefore, that the canner immediately begin to make these deductions.

II. *Written statements of the amount of tax deducted from wages must be furnished to employees.* Art. 206 of Regulations 91 provides:

"At the time each payment of wages is made to an employee his employer shall furnish a written statement to the employee showing the amount of employees' tax deducted from such wages \* \* \* [under] Section 801 of the Social Security Act, as distinguished from any other deductions."

Accordingly, each canner should be careful to furnish these written statements at the time he makes the deductions discussed in the preceding paragraph.

No particular form to be used in making this statement has been prescribed. The Bureau of Internal Revenue has ruled that a mere statement of the percentage (1 per cent) of wages deducted is not sufficient. The statement must show the amount deducted in "monetary terms," namely in dollars and cents. With this in mind the Association suggests that the following form of statement would be satisfactory.

"Amount deducted as employees' tax under Section 801 of Federal Social Security Act . . . \$———."

If the canner pays his wages by check this statement may be stamped or printed on the face of the check and the blank

properly filled in. The Bureau of Internal Revenue has ruled that statements on the face of the check are satisfactory. If the canner pays by cash the statement may be stamped or printed on the pay envelope, or on a separate piece of paper, and the blank properly filled in.

III. *The canner should make sure that he has applied for an identification number and each of his employees have applied for account numbers under the Act.* In the INFORMATION LETTER of November 14, 1936, at p. 5093, the necessity and method of procuring these numbers was pointed out. If the canner has not yet filed his application for an identification number this should be attended to immediately. In addition, he should urge employees who have not filed applications for account numbers to do so at once. If the employee does not procure a number, the canner will subsequently be required to file the application for him.

IV. *The canner should be sure that his records contain all information required by the Act and Regulations.* The necessity for maintaining adequate records has been previously emphasized. For a discussion of what information a canner's records must contain see INFORMATION LETTER of December 5, 1936, at p. 5113.

A complete discussion of these Federal Old-Age Benefits taxes was published in the INFORMATION LETTER in a series of articles beginning November 14, 1936, and concluding December 5, 1936. In addition a copy of Regulations 91, issued by the Commissioner of Internal Revenue in connection with these taxes, was sent to each canner. It is suggested that these be carefully studied as their importance cannot be over-emphasized.

## THE ANNUAL CONVENTION

### Record-Breaking Attendance Expected—Timely Topics on the Program

Measured by prospective attendance and the keen interest of canners in subjects to be discussed, the thirtieth annual convention of the National Canners Association and allied associations at Chicago the week of January 24th promises to establish a new high record for what has come to be the country's largest annual gathering of representatives of the food industries and trades.

The program has been so arranged that all who attend the convention will have an opportunity to hear authoritative discussions on such subjects as trade practices under the Robinson-Patman Act, the social security program in its relation to the canning industry, various phases of the problem of canner-grower relations, current legislative proposals, and the present market situation and factors to be considered in planning for the 1937 season.

Three general sessions will be held, in addition to the usual opening session on Monday afternoon and the closing session

on Friday morning, in order to permit the presentation and discussion of these topics of interest to all canners. Most of the commodity sections of the Association will not hold separate meetings, and provision has been made for handling the technical questions usually appearing on the section programs at two series of conferences on Tuesday, Wednesday and Thursday afternoons. The general arrangement of the program is as follows:

#### MONDAY

Opening Session, North Ball Room, 1.30 P.M.

#### TUESDAY

Second General Session, North Ball Room, 10.30 A.M.

Canning Problems Conference, North Ball Room, 2.00 P.M.

Raw Products Conference, North Assembly Room, 2.00 P.M.

Home Economics Conference, Private Dining Room 2, 2.30 P.M.

#### WEDNESDAY

Third General Session, North Ball Room, 10.30 A.M.

Canning Problems Conference, North Ball Room, 2.00 P.M.

Raw Products Conference, North Assembly Room, 2.00 P.M.

#### THURSDAY

Fourth General Session, North Ball Room, 10.30 A.M.

Canning Problems Conference, North Ball Room, 2.00 P.M.

Raw Products Conference, North Assembly Room, 2.00 P.M.

Meat Section, Private Dining Room 2, 9.30 A.M.

#### FRIDAY

Closing Session, North Ball Room, 9.30 A.M.

Among speakers at the general sessions will be:

Col. Charles H. March, member of the Federal Trade Commission, whose subject will be "Trade practices—fair and unfair."

Judge J. Harry Covington, of counsel for the Association, who will speak on industry problems and policies.

Vincent M. Miles, member of the Social Security Board, who will discuss "What the Social Security Act means to the canning industry."

Jesse W. Tapp, of the Agricultural Adjustment Administration, who will have for his subject "Some aspects of the problem of canner-grower relations."

H. Thomas Austern, of Association's counsel, who will review current legislative proposals.

Carlos Campbell, director of the Association's statistical service, who will analyze the present market situation and discuss various factors to be considered in 1937 plans.

Related subjects will be presented by other speakers to be announced later.

The series of three afternoon conferences on canning problems will be under the direction of W. D. Bigelow, director of the Association's Research Laboratories. C. G. Woodbury, director of the Association's Raw Products Research Bureau, will be in charge of the series of three conferences on raw products. A home economics conference is scheduled for Tuesday afternoon and the Meat Section will hold its usual meeting on Thursday morning.

The complete program will be printed and mailed to all canners the first part of January, and in this program will be announcements with reference to convention arrangements, such as registration, meeting rooms, room directory, exhibits, committee meetings, entertainment, etc.

### ROBINSON-PATMAN COMPLAINTS

#### Violations Charged Include Discriminations in Price, Advertising Allowances, and Services

A complaint charging violation of three sections of the Robinson-Patman Act has been issued by the Federal Trade Commission against Charles of the Ritz, Incorporated, and Charles of the Ritz Distributors Corporation, of New York City. Under Section 2(a) the corporations are charged with discriminating in price between different purchasers of their products of like grade and quality. Under Section 2(d) they are charged with discriminating between different purchasers by paying certain sums of money in consideration for advertising services or facilities furnished by such purchasers without making advertising allowances available on proportionally equal terms to other purchasers competing in the sale of the same merchandise. Under Section 2(e) the corporations are charged with favoring certain purchasers by furnishing them with the services of sales persons to demonstrate and sell the corporations' commodities and by paying their salaries, in whole or in part, without similarly according the services of paid demonstrators to other purchasers on proportionally equal terms.

A complaint charging violation of both the Robinson-Patman and Federal Trade Commission Acts has been issued by the Federal Trade Commission against the Hollywood Hat Co., Inc., of New York City, manufacturer and distributor of women's hats. Price discrimination between different purchasers of the respondent company's hats of like grade and quality, is alleged in the complaint. Contrary to provisions of the Clayton Act as amended by the Robinson-Patman Act, the respondent company is alleged to have allowed certain purchasers, particularly Si Fish, Inc., a retailer with stores in San Francisco, Sacramento and Oakland, Calif., different prices from those given to other of its purchasers competitively engaged in selling women's hats in the three California cities and other localities in the United States. According to the complaint, the prices allowed Si Fish, Inc., and certain others, were lower than those it allowed to other customers competing with them. The effect, it is charged, was to lessen or to injure and destroy competition.

Under Section 5 of the Federal Trade Commission Act, the respondent company is charged with unfair competition through filling orders with hats of a lower grade and quality than its customers are led to believe they will receive following exhibition of samples and representations by salesmen and other agents at the time of soliciting such orders.

### CROP INSURANCE RECOMMENDED

#### President's Committee Proposes Application to Wheat Only in 1938

A plan for crop insurance for wheat for the 1938 crop and continued research on crop insurance by the Department of Agriculture in order to facilitate administration of any pro-

gram that may be instituted are recommended in the report submitted on December 24th by the President's Committee appointed to study this subject.

The report, which consists of a discussion of the economic and social background for crop insurance, an examination of questions of public policy involved, and a plan of crop insurance, summarizes the Committee's recommendations as follows:

1. That a plan of crop insurance for wheat be recommended to Congress for consideration at an early date so that it may be put into effect on the 1938 crop.

2. That administration of any crop insurance program be a function of the Department of Agriculture, coordinated and integrated with the other programs and functions of that Department.

3. That in view of the public interest in crop insurance, including a greater degree of stability of supplies and income, and reducing prospective special measures of relief to distressed areas, the costs of storage should be borne by the Government, together with all overhead costs of administration. Adequate funds should be made available to the administering agency to meet requirements for: (a) overhead administrative expenses, (b) the purchase and handling of commodities necessary to initiate the program, (c) reserves adequate to meet extraordinary needs such as might arise out of a series of low yields during the early years of operation of the program.

4. That any proposed legislation provide for: (a) insurance of crop yields only without insurance of price; (b) employing the farmer's own average yield, as determined from a representative base period, as the basis of insurance coverage; (c) insurance of only a designated percentage of the producer's average yield; (d) determination of premiums on the basis of individual and regional loss experience; (e) payment of premiums and indemnities in kind or cash equivalent; (f) holding insurance reserves in the form of the stored commodity for which the insurance is written; (g) writing of insurance, adjustment of losses, and general local administration through local committees or boards of directors.

5. That the premiums charged the insured be such as actuarial studies and accumulated experience indicate are necessary to cover crop losses for a period of years.

6. That the administering organization be authorized to require a minimum amount of participation in the crop insurance program from counties or regions before the insurance will be sold therein.

7. That storage of wheat reserves for insurance purposes shall be made in Federally bonded warehouses or State-licensed warehouses that satisfactorily meet requirements or in other ways that will adequately protect the interests of the Government and the farmers insured.

8. That crop insurance research be continued by the Department of Agriculture in order to facilitate administration of any crop insurance program that may be instituted.

A general idea of the plan proposed will be gained from the following excerpts from the Committee's report.

"Your committee \* \* \* has concluded that a crop insurance program should be developed by the Government. It believes that such a program should apply at first only to wheat.

"In view of past failures of crop insurance where an attempt was made to insure price, it is believed that payment

of both premiums and losses should be in kind or cash equivalent. Such a plan would have the effect of storing up reserves of wheat in years of large crops and releasing them on the market in years of crop failure. This would tend to reduce the fluctuations in the market supply and the fluctuations in price of wheat. Further, it would provide the country with assurance that in case of severe crop failure a reserve supply of wheat would be available.

"The committee believes that the administration of any plan of crop insurance should be assigned to the Department of Agriculture where the opportunity exists for integrating this function with other duties and functions of that institution. Local administration of the program should be largely intrusted to the county and local committees established by the Department in cooperation with State agencies for the administration of the Agricultural Adjustment and Soil Conservation and Domestic Allotment Acts. These committees have demonstrated their ability in local administration of farm programs.

"The amount of insurance on any farm would be determined by the average yield on that farm. The farmer would be insured a yield up to some predetermined percentage of his average yield. If his yield should be less than the specified premium, he would be indemnified for the difference between what he actually produced and the amount of the insurance. This plan would not provide excessive insurance for the farm that has low average yields, nor would it provide too limited coverage for the farm that has high yields. Indemnities in certain cases might be paid in wheat; or, if more practicable, the wheat might be sold and the cash forwarded to the farmer. As an alternative the farmer could be granted a participation certificate to sell as he saw fit, but he would bear any storage costs after the time set for loss settlement.

"The premium charged for this insurance would also be in terms of bushels of wheat. The farmer, under favorable circumstances, might pay his premium in kind by delivering wheat to a local elevator authorized to receive such wheat. The wheat would then be stored in that elevator or shipped to some other point for storage. Because it might often be impracticable to pay premiums in wheat, the farmer should have the option of payment in cash equivalent. In that event the insurance organization would accept cash from the farmer and buy wheat for storage at some convenient point.

"Your committee is of the opinion that the premium rate should be determined on the basis of two factors—the loss experience on the individual farm insured and the loss experience of the county or area. The two factors should be given equal weight as a rule but exceptions may be made where injustices arise because of the short period for which data are available. The adjustment of the premium rate by the county or regional average is felt to be necessary because the experience of the 6 years, 1930-35, on one farm may not be representative of local risks. The principle of basing the premium on both area experience and farm experience has brought favorable comment from both farm and insurance groups.

"It is felt that a plan of this kind will not transfer the losses of incompetent and shiftless farmers to the more competent and industrious farmers. Nor would farmers on good land be required to pay the losses of farmers on poor land. Further, wheat areas of high and regular production would not have to pay the losses of wheat areas of low and uncertain production. Thus the plan proposed would not encourage expansion in agricultural production in areas where risks are commonly great.

"The studies of sample farms show wide differences among the various regions in costs of crop insurance for wheat. In some areas long recognized as good farming territory the costs appear low, while in other areas the costs appear high. In fact in some areas the costs appear to be prohibitive.



These studies, particularly when data are available for a longer period than 6 years, would provide an adequate method of defining areas where the average income because of crop losses is insufficient to maintain even a minimum standard of living. This is a significant byproduct of the study that bears on local, regional, and national land-use policies.

"The details of operation of the plan suggested may be illustrated as follows: At or about the time of seeding, a wheat farmer, if he desired, could apply to his local committee for a crop insurance policy. The committee would determine from past records of his farm the amount of insurance in bushels per acre to be granted, and the premium to be charged. The committee would check the acreage planted and the quality of land in wheat as compared with land that had been in wheat in base years. Immediate payment of the premium would not be required if a lien on the crop or other security were given.

"An attempt should be made to work out a plan of premium payments that will permit farmers to pay premiums for as much as 5 years in years of large crops. This would have the advantage \* \* \* of contributing to the working of the principle of the ever-normal granary. By paying premiums in years of plentiful production, an additional outlet for surplus wheat would be furnished, thus contributing to greater stability of prices in those years.

"Timely payment of losses is an essential part of a crop insurance plan. In case of complete loss, adjustment would be made as soon as such loss has been satisfactorily established. In case of partial loss, adjustment would not be made until after the crop has been harvested and production determined.

"The program of crop insurance recommended in this report is not conceived of as a substitute for any farm program now being administered by the Department of Agriculture, but as supplementary to other programs. This crop insurance plan is intended to meet, in part, the problems arising from fluctuations in production. It is not intended to meet problems of production adjustment and soil conservation. A program of crop insurance should be closely integrated with other programs. Participation in adjustment and soil conservation programs or the following of equivalent farm practices should be required for eligibility to participate in crop insurance. It is sound practice for any insurance organization to refuse insurance to those who do not take reasonable precautions against avoidable hazards."

## UNEMPLOYMENT COMPENSATION PROGRAM

### New Statutes Adopted in Nine States—Laws of 28 States Approved by Board

The imminence of the new year has continued to exert considerable pressure upon States without Unemployment Compensation statutes to enact such legislation in time for employers to credit their contributions thereunder against their Federal Unemployment Compensation taxes for the year 1936. The latter are due on January 31, 1937. Consequently, in addition to the States reported in recent issues of the INFORMATION LETTER, nine states (Maine, New Jersey, New Mexico, North Carolina, Ohio, Tennessee, Vermont, Virginia, and West Virginia), have adopted laws of this character.

OHIO: The Ohio law was approved by the Governor on December 17, 1936. For the year 1936 every employer subject to the Federal Act is required to make a lump sum payment with respect to wages paid after December 21 equal to 90 per cent of the Federal Unemployment Compensation tax levied on that employer for the entire year 1936. Beginning

January 1, 1937, the Act will apply to all employers of three or more. The rate for 1937 will be 1.8 per cent of total payroll, and in 1938 and thereafter 2.7 per cent with provisions for merit rating after 1941. A pooled fund is established with separate employer accounts for merit rating purposes only. No employee contributions are required. Another interesting feature of this Act, from the viewpoint of canners, is its exemption of "employment as a short-time or casual laborer for a period of less than four weeks." Such employment is covered under the usual State statutes as well as under the Federal Unemployment Compensation provisions, and since taxes will have to be paid on casual labor under the Federal Act, it is doubtful if this Ohio exemption will prove of much assistance.

NEW JERSEY: The New Jersey statute, which was approved by the Governor on December 22, applies to all employers of eight or more persons for twenty weeks, and establishes a pooled fund with separate employer accounts for merit rating purposes only. It levies a tax of 10.8 per cent on wages paid during December 1936, with a proviso, however, that this tax shall not be greater or less than 0.9 per cent of the total payroll for the year 1936. Thus, it is in effect retroactive to January 1, 1936. The rate for 1937 is 1.8 per cent and for 1938 and subsequent years 2.7 per cent with provisions for merit rating after 1941. In addition, beginning December 1, 1937, employees are required to contribute at the rate of 1 per cent of their wages.

MAINE, NORTH CAROLINA, TENNESSEE, VIRGINIA, and WEST VIRGINIA: These five statutes are substantially identical in so far as their principal features are concerned. The North Carolina law was approved by the Governor on December 16, the West Virginia law on December 17, and the Maine, Tennessee and Virginia laws on December 18. Each applies to all employers of eight or more for twenty weeks, and retroactively taxes all wages paid during the year 1936 at the rate of 0.9 per cent. The rates for 1937 and future years are the usual ones—1.8 per cent in 1937 and 2.7 per cent in 1938 and subsequent years. No employee contributions are required under any of these five laws, and each establishes a pooled fund for the payment of benefits. The Maine, North Carolina, and Virginia laws contain no provisions for merit rating, and, in contrast, the Tennessee and West Virginia statutes provide for merit rating in 1941 and thereafter.

In addition, the Governor of New Mexico on December 16 approved an Unemployment Compensation statute for that State. The Vermont law was approved by the Governor on December 22. Its provisions are not available at the time of this writing.

The Federal Social Security Board has announced its approval of the laws of Arizona, Maryland, New Mexico, North Carolina, Ohio, Oklahoma, Tennessee, Virginia and West Virginia. This brings to a total of 28 the number of jurisdictions having laws approved by the Board. (For those previously approved see INFORMATION LETTER of December 12, 1936, at p. 5123.) It will be recalled that this approval is a necessary condition to crediting against the Federal tax any payments made under a State statute. The Maine, New Jersey and Vermont statutes have not yet been submitted for approval.

In addition to these States, the legislatures of both Michigan and Minnesota have enacted statutes which have not as yet been approved by the respective Governors, and the legislatures of Delaware, Iowa, Kentucky and South Dakota are sitting in special session for the purpose of considering such

legislation. It is likely that some or all of these States will adopt statutes before the close of the year which will raise the total number of States with Unemployment Compensation Statutes to near 35.

### Pennsylvania Association Officers

The following named officers have been elected by the Pennsylvania Canners Association for the year 1937: President, Charles G. Summers, Jr., New Freedom; Vice-President (fruits), M. E. Knouse, Peach Glen; Vice-President (mushrooms), S. M. Griscom, West Chester; Vice-President (vegetables), W. S. Winebrenner, Hanover; Executive Secretary and Treasurer, Wm. A. Free, 220 Elmwood Blvd., York.

### Italian Tomato Products Exports

The Naples canning industry has been occupied during the last few weeks in preparing tomato products for shipment abroad, according to a report from the American consul under date of November 18th. Heavy shipments, for this time of year, went to England and the United States and considerable ones to Denmark, Norway and Sweden.

Prices in mid-November were as follows: Peeled tomatoes, 3-lb. cans, \$2.25 per case of 24 cans, c. i. f. New York; 1½-lb. cans, \$2.85 per case of 48 cans; tomato sauce, \$20 per quintal; double concentrate, \$25 to \$26 per quintal.

It is reported that some of the American buyers object to paying pre-devaluation contract prices quoted above, and that they demand a 10 per cent discount. The Italian exporters, on the other hand, are standing pat on the ground that the imported tin-plate and other packing materials will have to be paid in foreign currency at a higher lire price than formerly, etc. In any case the Italian exporters are continuing to make heavy shipments to the United States (if account be taken of the seasonal and general situation) and they are in an optimistic mood.

October declared exports to the United States at the Naples office were: 10,012,362 pounds of peeled tomatoes, and 1,219,891 pounds of tomato sauce, a total of 11,232,253 pounds. October exports were therefore 12.9 per cent less than in September, 1936, and 42.3 per cent less than in October, 1935. Last year's October shipments were, of course, exceptional because of the then imminent sanctions.

### Pineapple Canning Planned in Cuba

Establishment of a domestic pineapple canning industry in Cuba within a short time is planned by local interests, according to a report from the Consul at Habana to the Commerce Department. It is proposed to construct and equip a canning plant in one of the principal pineapple producing districts at a convenient distance from Habana. Fresh pineapple that cannot be profitably marketed in the United States in that condition will be used. The proposed plant will have a capacity of approximately 50,000 cases. The output will consist of sliced and crushed pineapple in syrup and pineapple in brine. Construction is expected to begin about the middle of January in order to be ready for operation when the pineapple harvest begins in April.

### FREIGHT RATE HEARING

#### Original Proceedings on Original Surcharge Proceedings Reopened by Commission

The first hearing in the reopened proceedings (Ex Parte No. 115) on freight rate surcharges will be held in Washington on January 6th, when testimony will be heard from the railroads in support of their petition originally filed on November 19th and subsequently denied by the Commission. At the time this petition was denied the Commission reopened Ex Parte No. 115, the original surcharge proceedings. The railroads then petitioned the Commission to continue the emergency charges until after the new hearing on Ex Parte No. 115, but this petition was also denied on December 18th. Accordingly, the surcharges were abolished on December 31st.

The emergency charges originally went into effect April 18, 1935, and at that time were authorized for a period terminating on June 30, 1936, later extended to December 31, 1936, with a number of modifications. On July 27, 1936, most of the Class I railroads petitioned for a blanket order which would have had the effect of incorporating the emergency charges into the permanent rate structure by consolidating them with the basic rates. That petition was denied on July 30th, and on October 23rd the railroads filed another petition outlining certain rate increases which they desired to make in their basic rates for permanent application, these proposed increases largely being equivalent to the existing emergency charges. The Interstate Commerce Commission denied this petition on November 19th and, as previously stated, has reopened the original surcharge proceedings.

### Production and Stocks of Canned Milk

	1936 Pounds	1935 Pounds	Change Per Cent
Manufacturers' stocks (case goods, Dec. 1):			
Evaporated (35 firms)...	274,097,560	91,249,674	+200.38
Condensed (7 firms).....	10,190,271	11,697,252	-12.88
Total production, Nov.:			
Evaporated (35 firms)...	126,570,836	86,238,461	+46.77
Condensed (7 firms).....	3,384,755	3,602,409	-6.04

### TOMATO PRODUCTS PACK

#### Decrease in Canned Tomatoes Offset by Increases in Juice and Pulp

The following figures on the total pack of canned tomatoes, tomato juice, and tomato pulp, excluding California, have been issued by the Association's Division of Statistics.

**CANNED TOMATOES:** Tomato canners packed only about 88 per cent as many cases of Tomatoes during 1936 as were packed in 1935, according to reports received by the Division of Statistics from all but a small percentage of the Tomato canners.

In New York, the pack this year was only about 64 per cent of the 1935 pack. Maryland's pack was up about 10 per cent, with Virginia packing only a little over half as much as last year. The Indiana pack was about 84 per cent of its 1935 production. Kentucky and Tennessee report about 40

per cent of last year. The Utah pack was about 50 per cent larger than its 1935 pack.

The 1935 pack of Tomatoes was 24,289,543 actual cases, of which California packed 3,070,765 actual cases.

**TOMATO JUICE:** The 1936 pack of Tomato Juice was about 145 per cent of the 1935 pack. Reports received by the Division of Statistics from all but a few of the packers show an average increase of about 36 per cent.

Firms packing Tomato Juice for the first time during 1936 accounted for a pack of about 350,000 cases. The pack of these new firms when added to the increase of the firms packing last year gives a figure which is about 145 per cent of the 1935 pack.

New York and other Eastern states increased their pack of Tomato Juice from 50 to 65 per cent. In Indiana, the increase over last year was only about 30 per cent.

The 1935 pack of Tomato Juice was 8,170,640 actual cases, of which California packed 1,153,064 cases.

**TOMATO PULP:** The 1936 pack of Tomato Pulp was about 110 per cent of the 1935 pack. This increase was general for the states covered by this report. The largest increase on a percentage basis was in Utah, but, as usual, Indiana packed over one-third of the total United States pack. The 1935 pack of Tomato Pulp was 2,797,168 cases, of which California packed 728,942 cases.

The California figures for 1936 will not be available until about the middle of January, consequently the final report on the pack of Canned Tomatoes and Tomato Products cannot be issued until that time.

### Supreme Court Construes Standard Container Act

On December 7, 1936, the Supreme Court of the United States in a unanimous decision held that the manufacture and sale of two-quart metal hampers for fruits and vegetables was not a violation of the Standard Container Act of 1928. The Act defines a bushel as 2,150.42 cubic inches and specifies nine standard sizes for hampers ranging from one-eighth to two bushels. It is declared unlawful to manufacture or sell hampers for fruits and vegetables that "do not comply with this Act."

The Government, in issuing its indictments against the defendants Charles Resnick and the Acme Can Company, contended that two-quart hampers, being only one-sixteenth of a bushel and thus half the size of the smallest established standard, did not comply with the Act.

The Court rejected this contention, pointing out that criminal statutes must be strictly construed. The Act merely establishes standards for the nine sizes specified, and does not apply to hampers of sizes different from these. So long as a two-quart hamper does not purport to be of standard size, and is not calculated to deceive, its manufacture and sale is not prohibited.

### Monthly Reports on Frozen Fresh Vegetable Stocks

Cold storage holdings of frozen fresh vegetables will be reported monthly by the Bureau of Agricultural Economics beginning January 1st. The foods are peas, cut beans, lima beans, corn on the cob, and spinach. Bureau officials said

there has been a large increase in the handling of frozen fresh foods in recent years. Decision to issue monthly cold storage reports on some of these products was made in response to requests by the Association of Refrigerated Warehouses.

The Bureau has been issuing monthly cold storage reports on a long list of products since 1916. These products include fruits, vegetables, butter, cheese, eggs, poultry, meats, lard, fish, and more than 30 other foods.

For the past 13 years, the Bureau has been reporting holdings of frozen and preserved fruits as a group. Now it will report separately on strawberries, blueberries and cherries in this classification.

The reports are released about the twelfth of each month from Washington and from the various market news offices of the Bureau.

### Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

	Week ending—			Season total to—	
	Dec. 26 1935	Dec. 26 1936	Dec. 19 1936	Dec. 26 1935	Dec. 26 1936
<b>VEGETABLES</b>					
Beans, snap and lima	28	22	290	142	79
Tomatoes	230	229	316	949	1,085
Green peas	21	58	62	66	146
Spinach	150	256	192	1,483	1,752
Others:					
Domestic, competing directly	2,791	2,761	3,232	64,295	75,332
Imports competing—					
Directly	37	36	53	888	840
Indirectly	11	35	15	34	60
<b>FRUITS</b>					
Citrus, domestic	2,175	2,021	4,195	27,477	35,619
Imports	0	0	0	355	94
Others, domestic	86	74	143	16,197	21,303

### New Home Economics Leaflet

With this issue of the INFORMATION LETTER is mailed a new leaflet prepared by the Home Economics Division entitled "Getting an Adequate Diet by Use of Canned Foods."

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